

MNP



2021 Business Climate Survey

Presented by:

MNP LLP &

Brandon Chamber of Commerce



Wherever business takes you

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Introduction

The Business Climate Survey is an important tool to assess the needs and concerns of our membership and helps us to understand the strengths, challenges, and appetites for change in our community.

Feedback from Brandon businesses is used to shape our advocacy work, policy development, and business supports.

The survey sample includes **204** CEOs, presidents, business owners, and designated senior corporate officers from business in Brandon and the surrounding area.

The survey was conducted by PRA Inc. under the guidance of MNP and the Brandon Chamber of Commerce.

The survey was conducted between
February 2 to 21, 2021

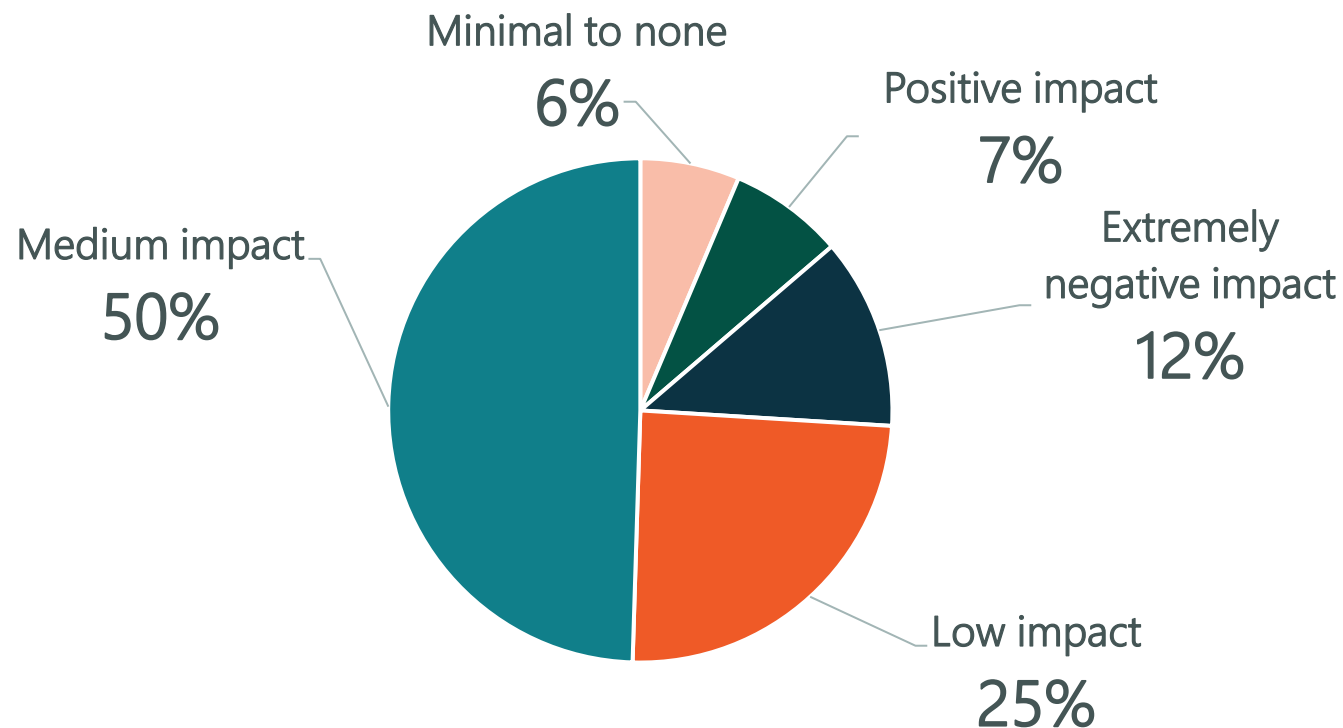
Online surveys: February 2 to 21

Telephone Interview: February 11 to 19

Methodology

The Impact of COVID-19

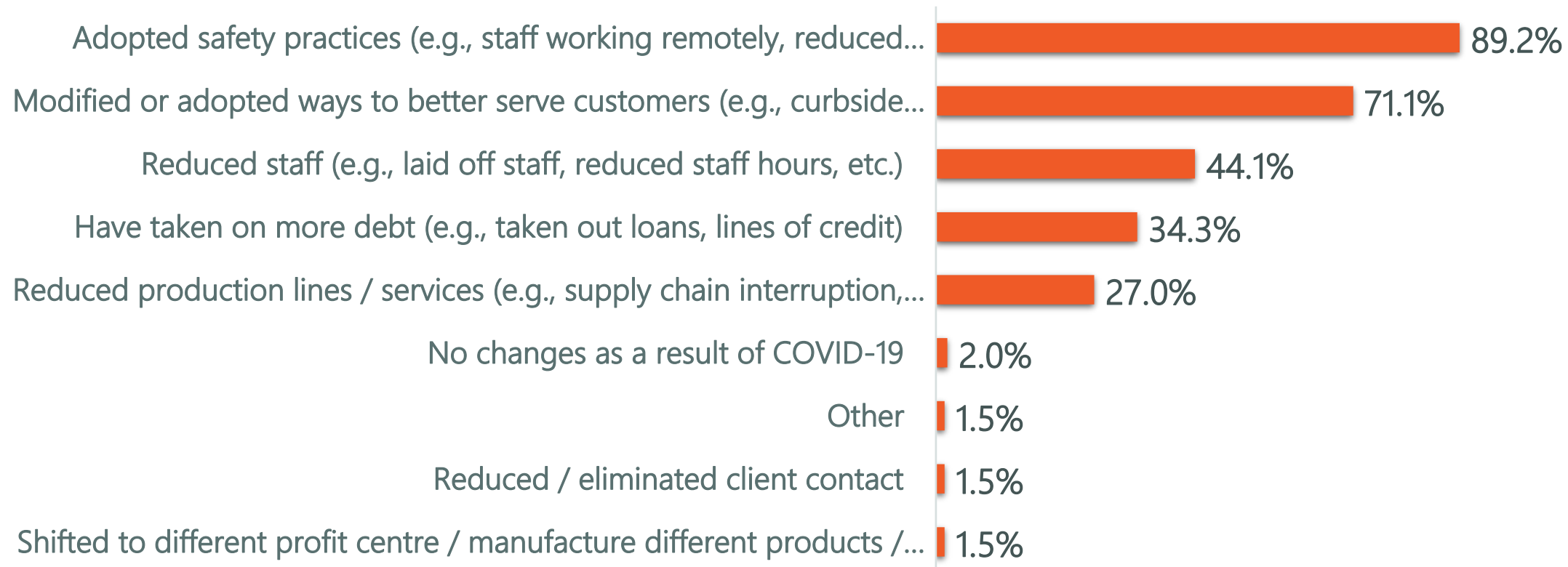
How would you describe the impact of the pandemic on your business operations?



The vast majority of Brandon business leaders reported being impacted by the pandemic, with 87% being negatively impacted by COVID-19.

The Impact of COVID-19

Has your organization made any of these changes as a result of COVID-19?



The Impact of COVID-19

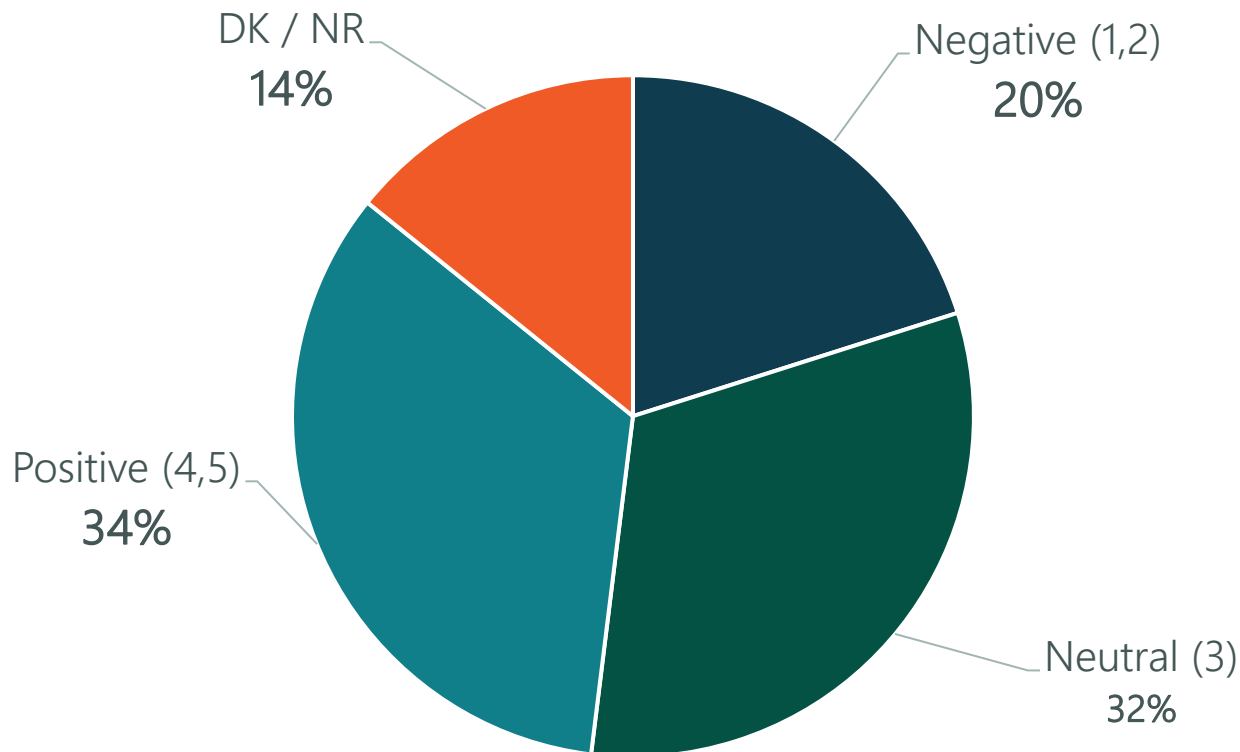
Thinking about your organization operations, right now, what are you most worried about?



COVID-19: Federal Support of Business

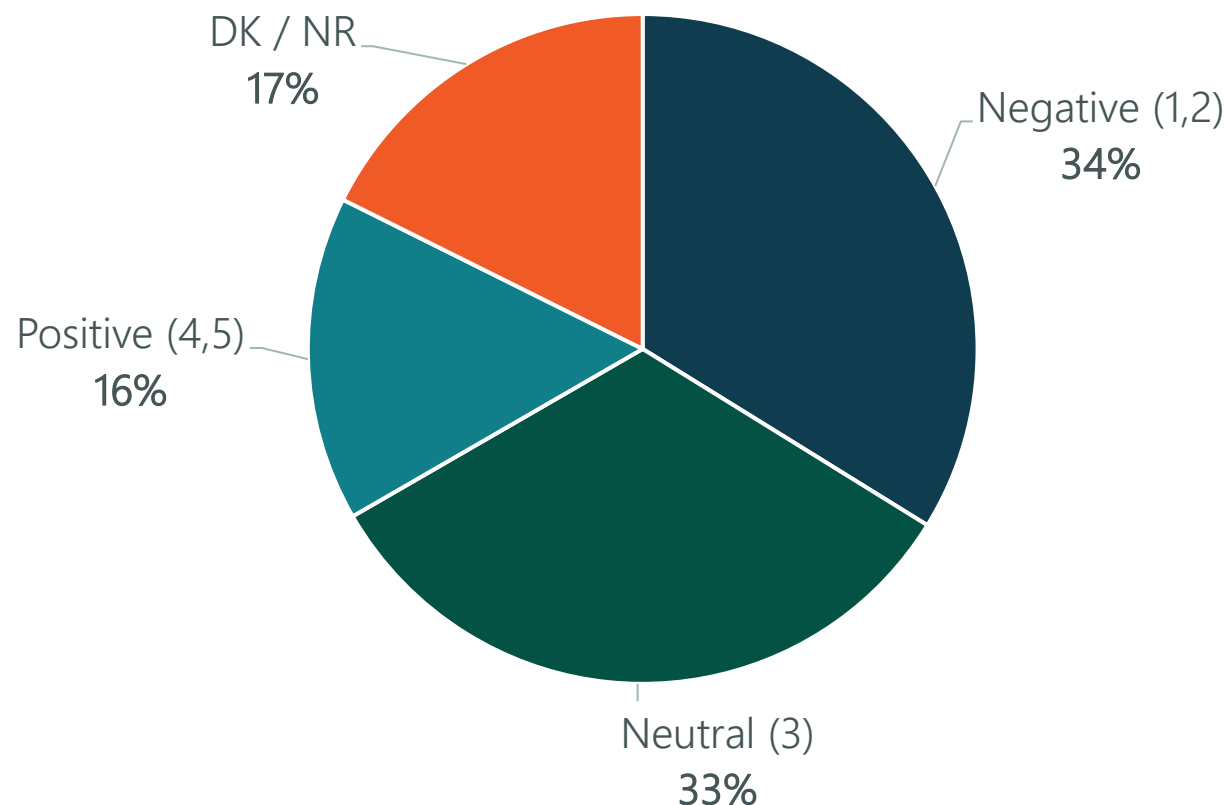
On a scale of 1-5, rate the effectiveness of the federal funding programs related to COVID. (collapsed)

While 34% of respondents gave a positive rating for federal funding programs, almost the same percentage (32%) thought the programs were not effective (either positively or negatively) and 20% thought they were negatively effective.



COVID-19: Provincial Support of Business

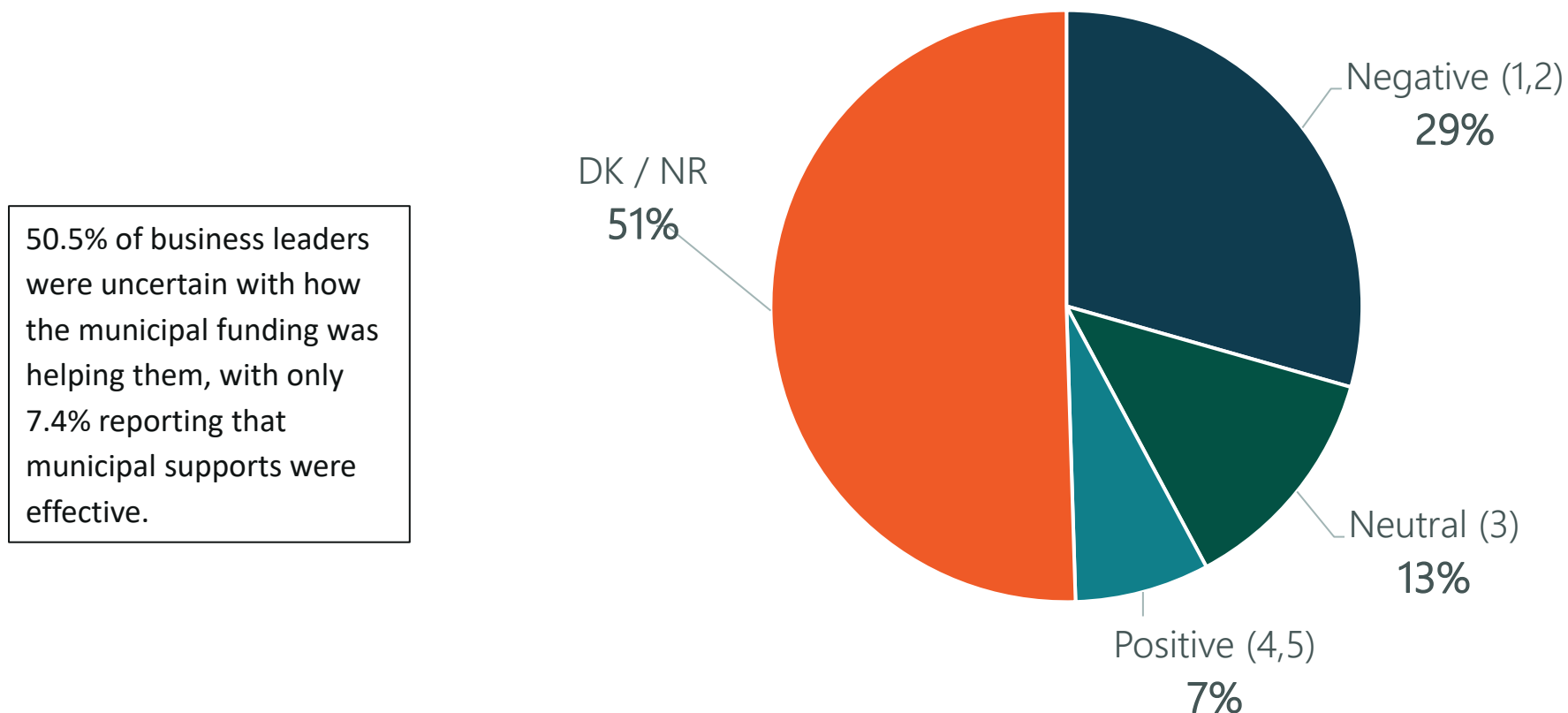
On a scale of 1-5, rate the effectiveness of the provincial funding programs related to COVID. (collapsed)



The rating for provincial funding programs rated much lower than federal programs with 34% rating the provincial programs negatively (compared to 20% for federal programs), and a 16% positive rating (compared to 34%).

COVID-19: Municipal Support of Business

On a scale of 1-5, rate the effectiveness of the municipal funding programs related to COVID. (collapsed)



COVID-19: Government Support of Business

In addition to its current programs, if you had the opportunity, what would you tell the provincial government it should do to support the Manitoba business community?



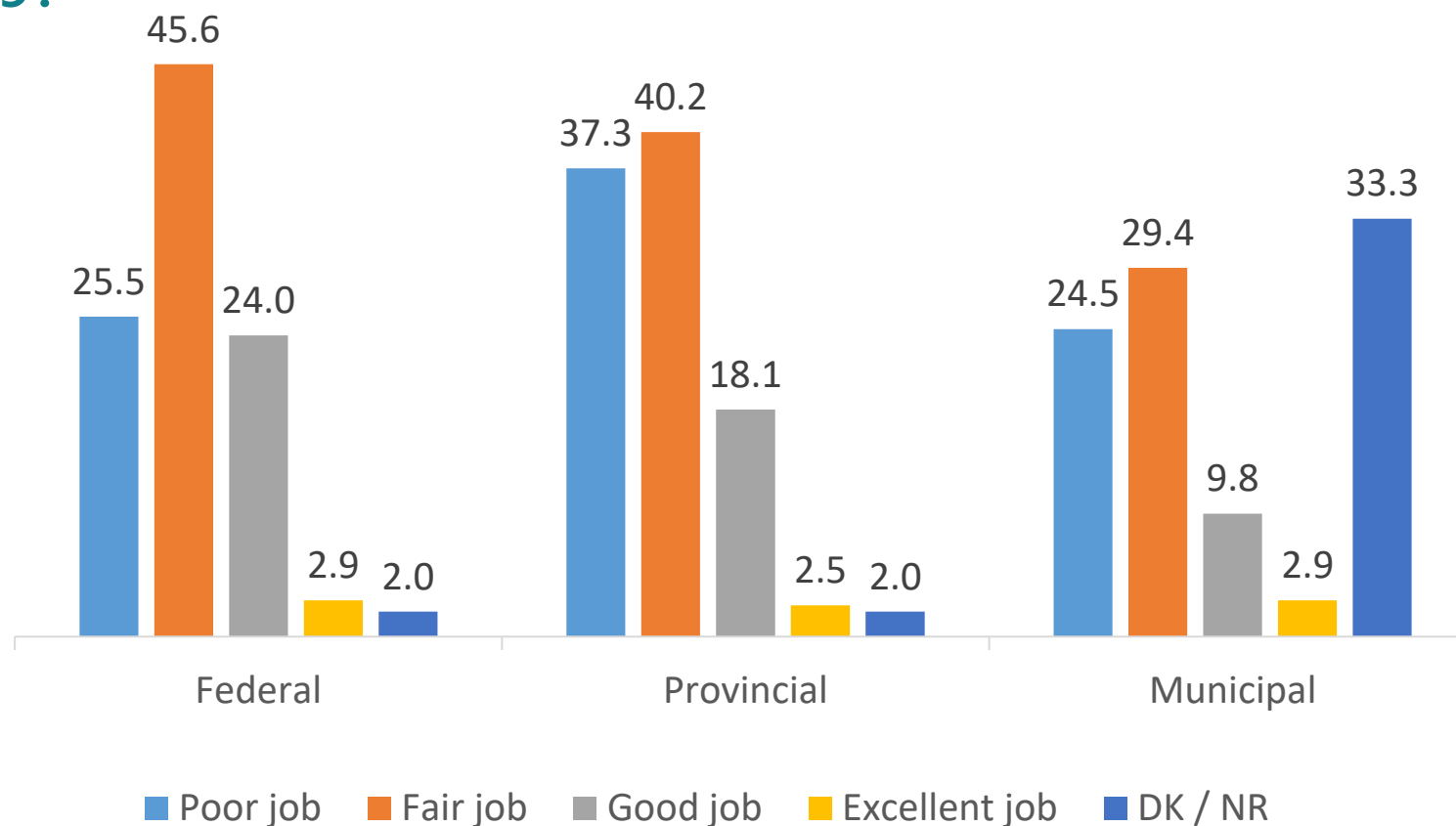
47% of business leaders want the province to allow businesses to open or be more flexible with pandemic restrictions, while only 9% think there should be more funding/programs.

COVID-19: Government Support of Business

Thinking about the (government), overall would you say they have been doing an excellent job, a good job, a fair job, or a poor job in terms of supporting businesses during COVID-19?

Overall, the results show room for improvement by all levels of government in terms of their support for business during the pandemic.

Business leaders rated the federal government the most positively, but still, 71% thought they only did a poor/fair job. The province rated slightly more poorly with a 77.5% poor/fair rating. The municipal government received a slightly better poor/fair rating of 56%, but considering an additional 33% were unclear of how the City was supporting business they lag behind the other levels of government.

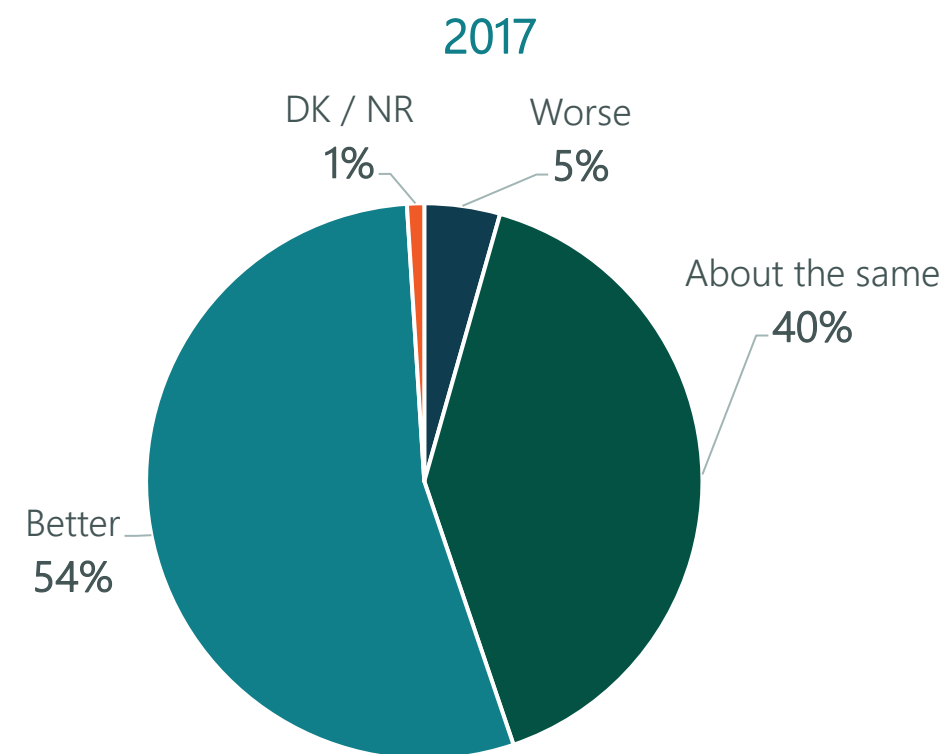
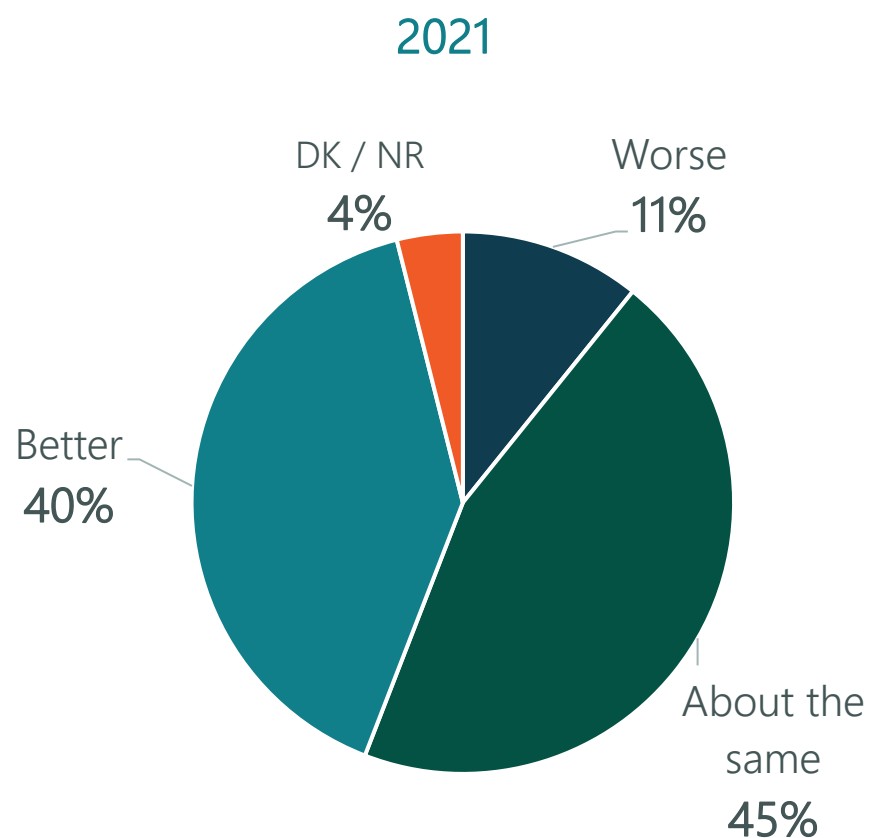


Business Outlook

Do you expect your business to be performing better financially, about the same or worse in the next 12 months?

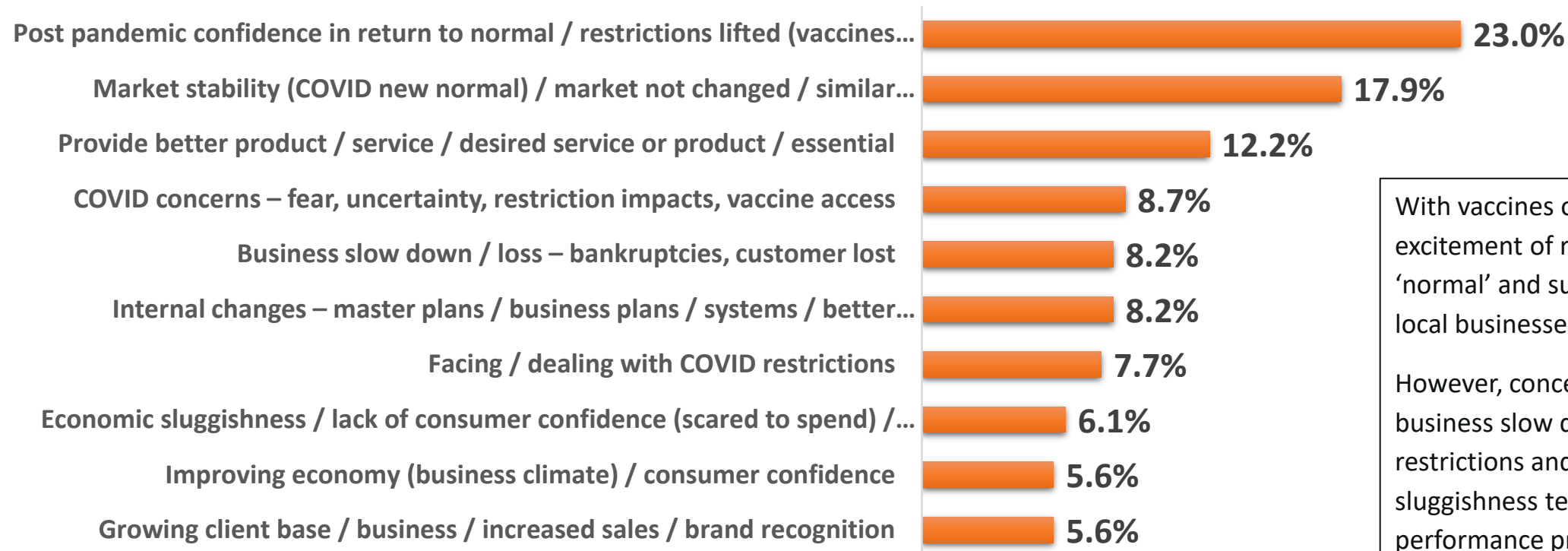
It has been a challenging year for business, with ongoing pandemic restrictions, repeated mandated closures and economic uncertainty.

However, business leaders are cautiously optimistic that the next year will be better with 85% of businesses expect their business to perform about the same or better in the next 12 months.



Business Outlook

Why do you think your business will perform better / about the same / worse in the next 12 months?



With vaccines on the horizon the excitement of returning to 'normal' and supporting our local businesses is top of mind.

However, concerns over business slow down, extended restrictions and economic sluggishness temper performance predictions.

Business Challenges

What is the one greatest challenge faced by your organization over the next 12 months?



Business Challenges Comparison

What is the one greatest challenge faced by your organization over the next 12 months?

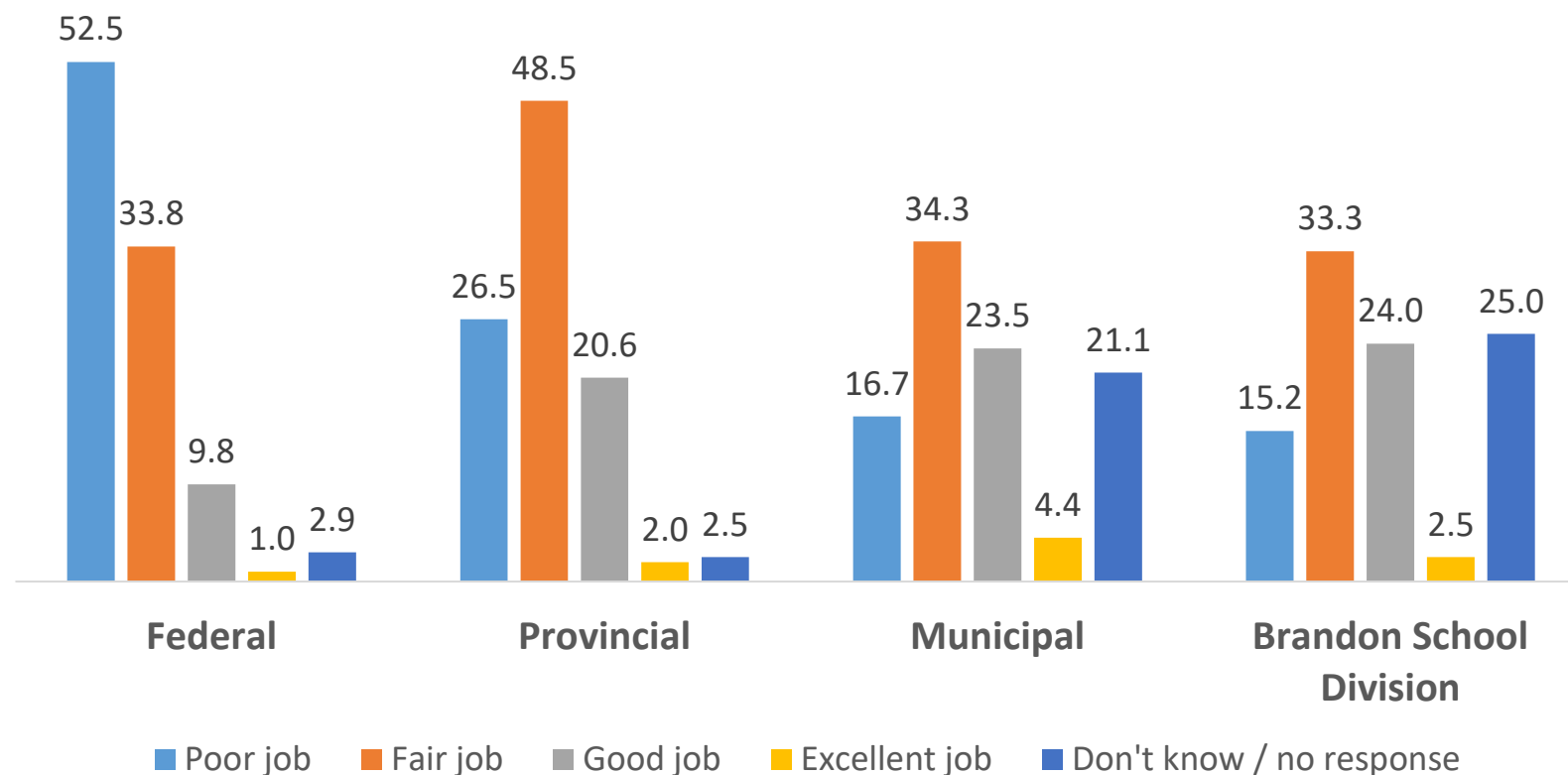
| 2021 | |
|--|-------|
| Maintaining revenue / sales / profits / customers | 11.3% |
| Adapting to uncertainty (in the market, customer expectations) | 10.3% |
| Safety concerns / impact of following COVID protocols (on staff / until vaccine arrives) | 10.3% |
| Impact of uncertainty regarding COVID restrictions | 10.3% |
| Labour shortages (skilled labour / qualified people / staff retention) | 9.3% |
| Cash flow – paying bills, loans | 8.8% |
| Don't know / no response | 8.8% |
| Uncertain (volatility) economy – stock market / recession / inflation | 8.3% |
| Supply chain issues / product availability | 6.4% |
| None / no challenges faced / no concerns | 4.9% |

| 2017 | |
|-------------------------------------|-------|
| Labour (Shortages etc) | 28.6% |
| Government Policies and Regulations | 10.3% |
| Maintaining Revenue/Profits | 9.4% |
| Competition | 9.4% |
| Rising Operation Costs | 7.4% |
| No Challenges Faced | 7.4% |
| Taxation | 6.4% |
| Growing the Company | 6.4% |
| Increased Advertising Costs | 4.9% |
| Stagnant/Uncertain Economy | 4.4% |

| 2015 | |
|-------------------------------------|-------|
| Labour Shortages | 28.8% |
| Maintaining Revenue/Profits | 12.5% |
| No Challenges Faced | 10.6% |
| Rising Operation Costs | 8.7% |
| Competition | 8.2% |
| Government Policies and Regulations | 7.7% |
| Increased Advertising Costs | 7.7% |
| Stagnant/Uncertain Economy | 7.7% |
| Managing Growth/Change | 7.7% |
| Growing the Company | 6.7% |

Attitude on Government Performance

Thinking about the (Government), would you say they have been doing an excellent job, a good job, a fair job, or a poor job in terms of *managing taxpayer's money?*

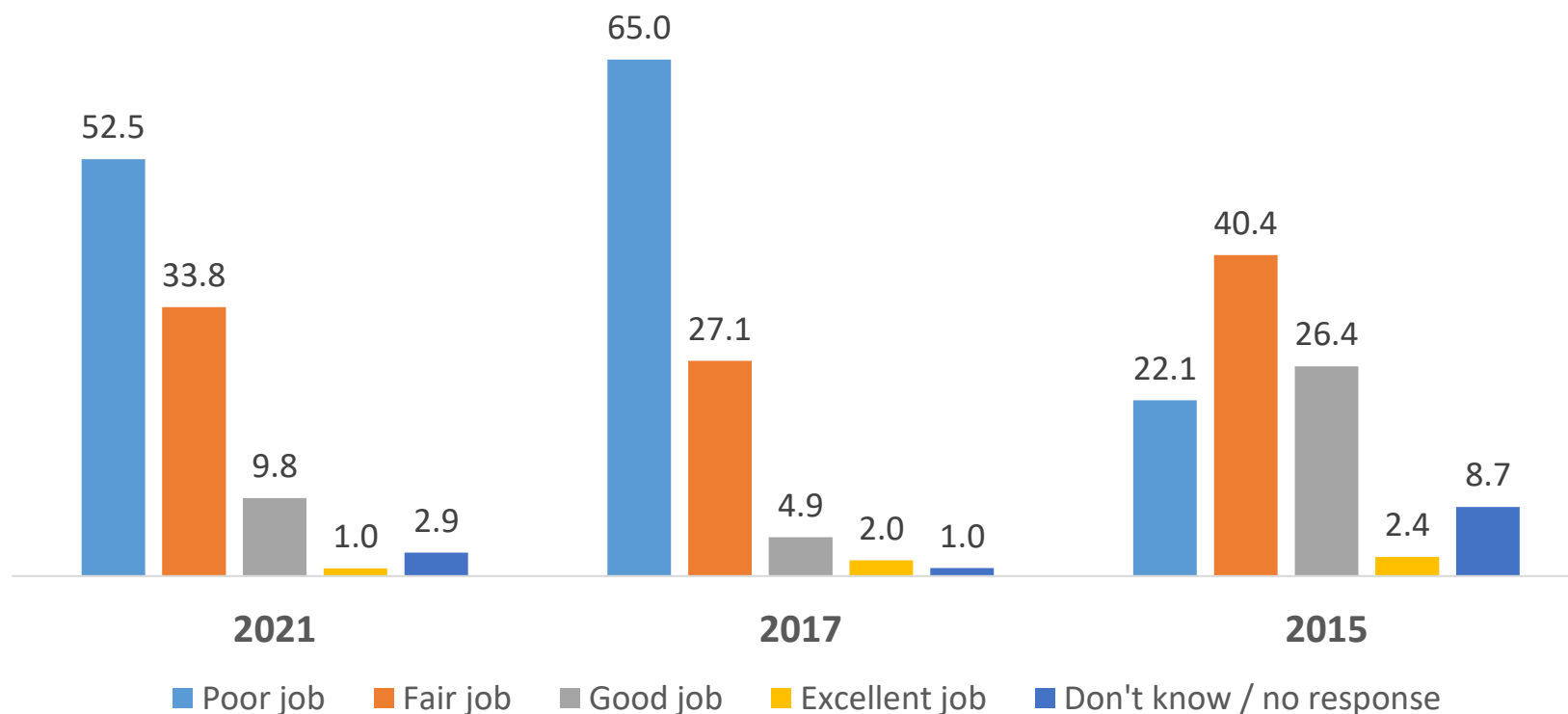


All four levels of government rated poorly in terms of managing taxpayer's money. The federal government was rated least favourably with over 89% giving a poor/fair rating and only 11% giving a positive rating. The province fared better with a 70% fair/poor rating and 23% positive rating. The City and Brandon School Division rated similarly, and while they received more favourable ratings compared to the province and federal governments (ranging around 48% fair/poor rating and 26-29% good/excellent rating) both also saw a lot of uncertainty around how they have been managing taxpayer's money.

Federal by Year Comparison

Thinking about the federal government, would you say they have been doing an excellent job, a good job, a fair job, or a poor job in terms of *managing taxpayer's money*?

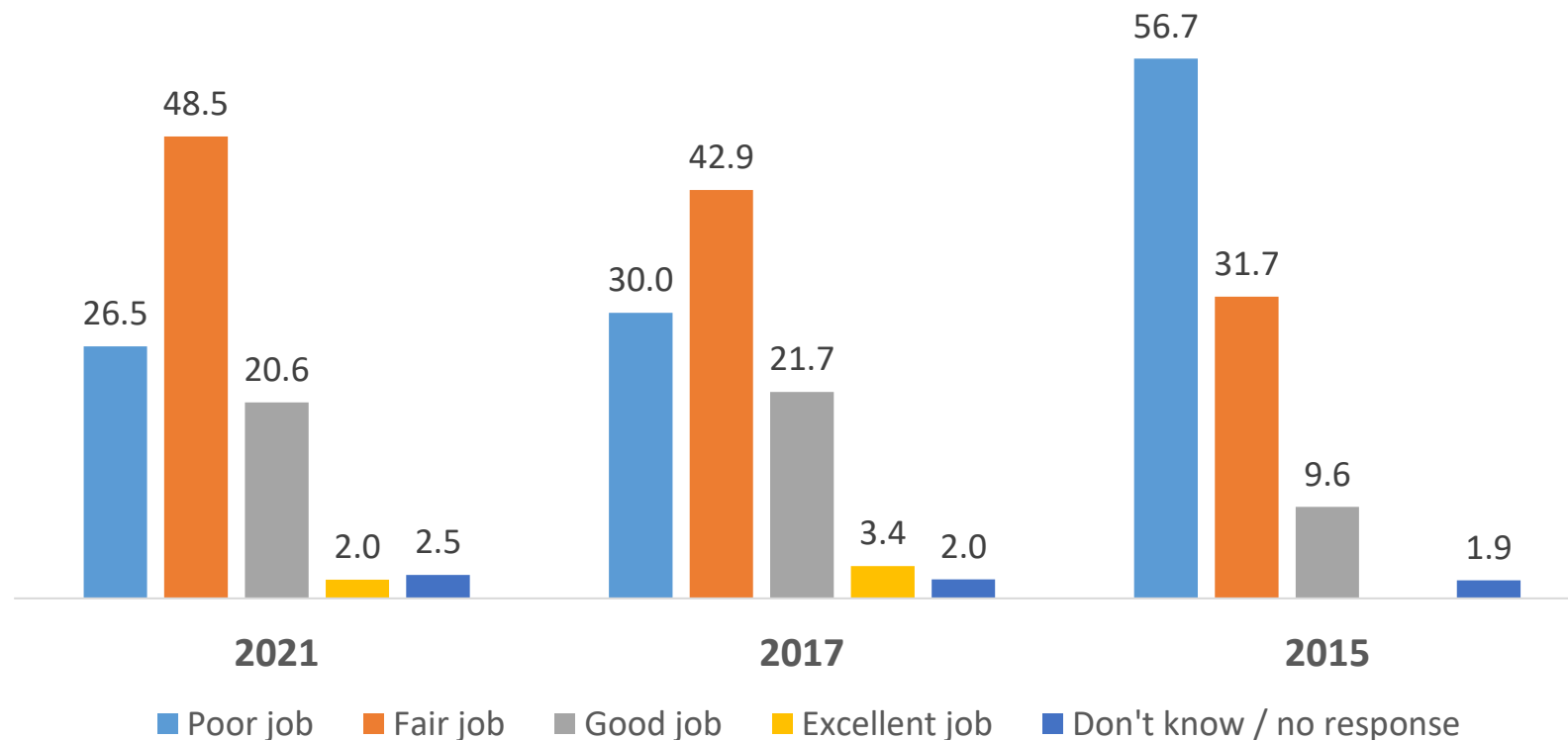
Comparing to previous years, the federal government rated slightly higher in 2021 with a 11% positive rating compared to 7% in 2017. However, compared to 2015 when the federal government received a 28.8% good/excellent rating it is doing much more poorly.



Provincial by Year Comparison

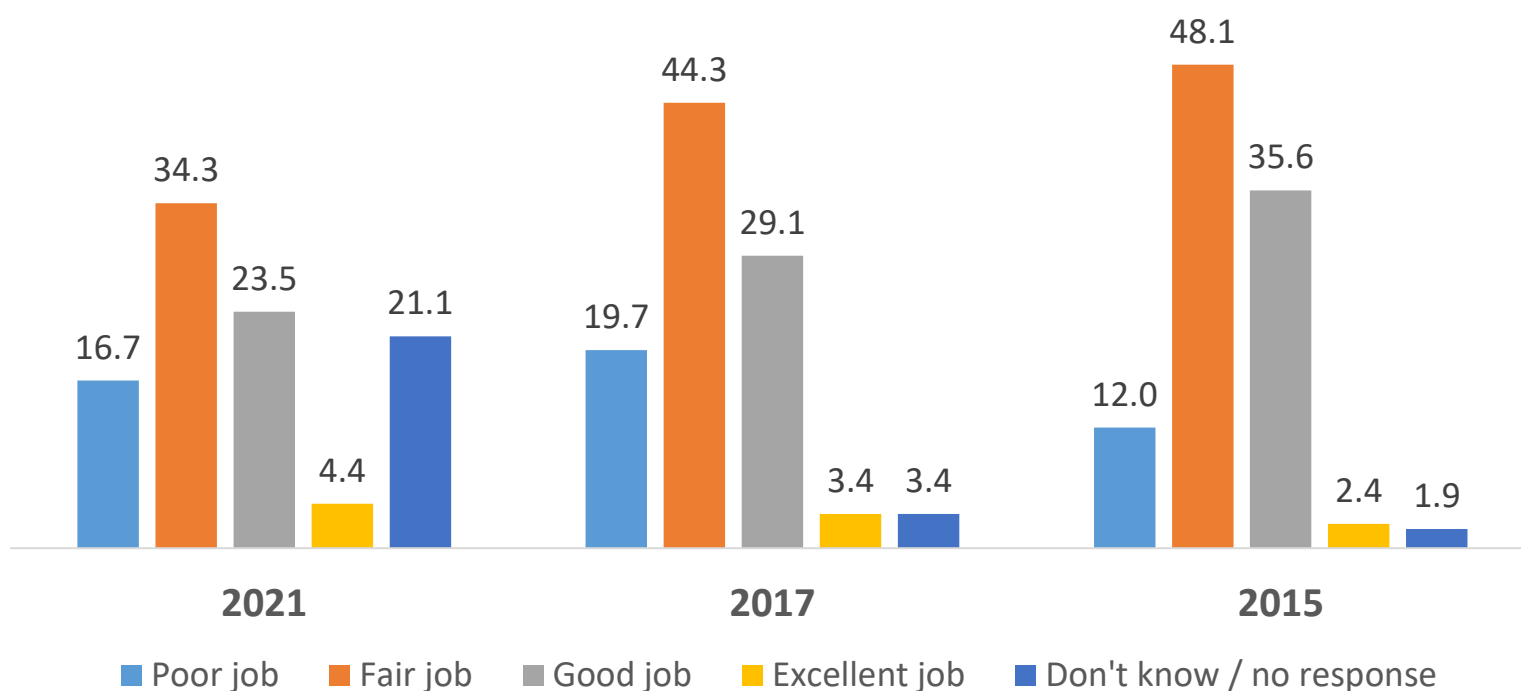
Thinking about the provincial government, would you say they have been doing an excellent job, a good job, a fair job, or a poor job in terms of *managing taxpayer's money?*

Compared to previous years, the province rated slightly more poorly than in 2017 with 23% of business leaders rating them positively compared to 25% in 2017, but markedly better than it did in 2015 under the NDP leadership where only 9.6% thought they were doing a good job and none thought they were doing an excellent job.



Municipal by Year Comparison

Thinking about the municipal government, would you say they have been doing an excellent job, a good job, a fair job, or a poor job in terms of *managing taxpayer's money?*



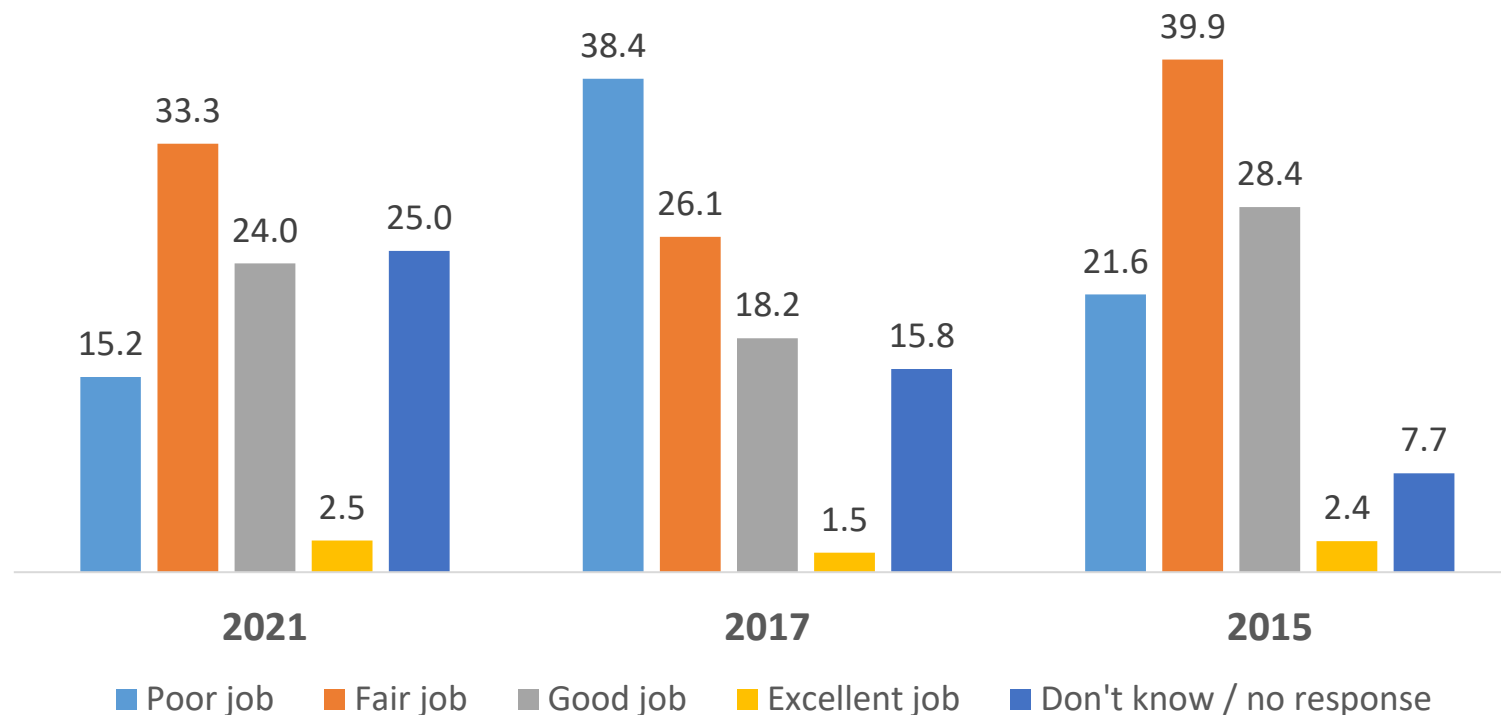
Compared to previous years, the city's poor/fair rating improved but it's good/excellent rating declined. However, the biggest increase was attributed to business leader's uncertainty about the city's job in terms of managing taxpayer's money.

| | 2015 | 2017 | 2021 |
|-------------------------|------|------|------------|
| Poor/Fair | 60% | 64% | 51% |
| Good/Excellent | 38% | 33% | 28% |
| Don't know/ no response | 2% | 3% | 21% |

Brandon School Division by Year Comparison

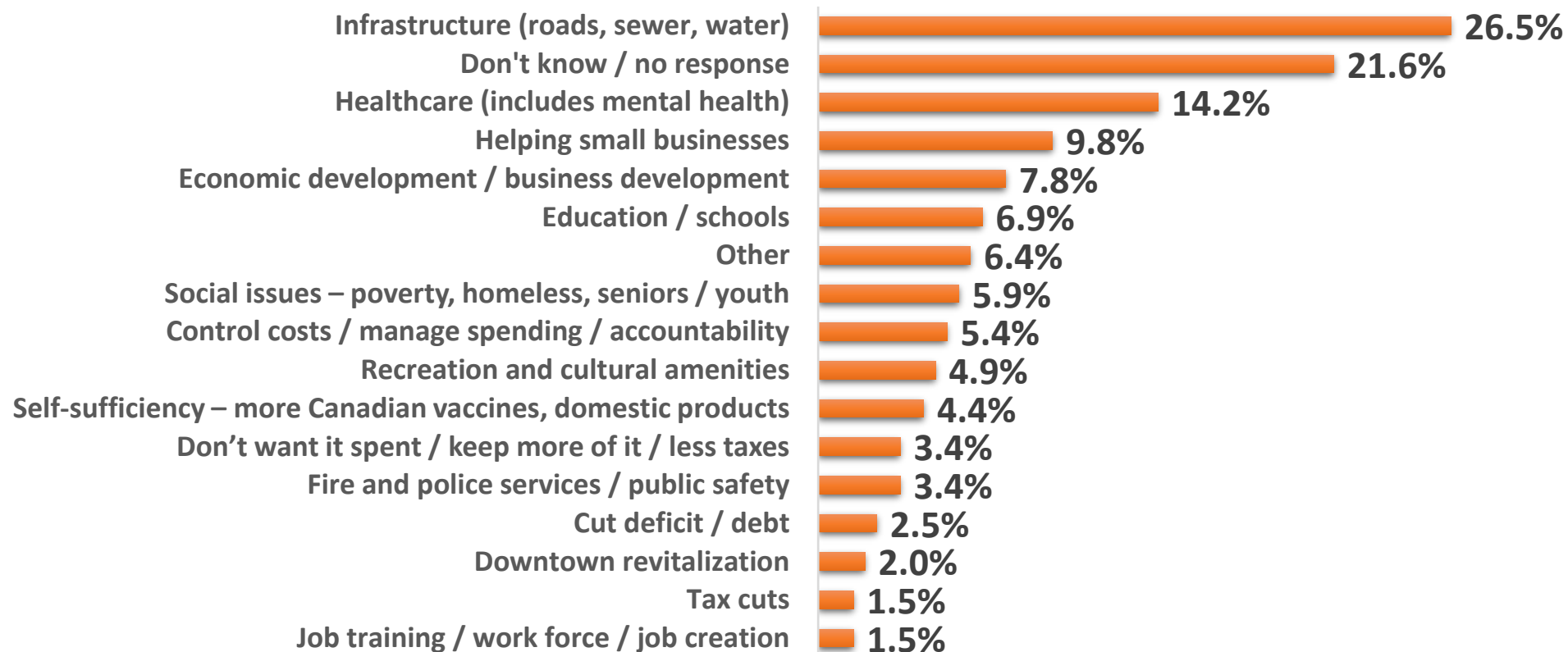
Thinking about the Brandon School Division, would you say they have been doing an excellent job, a good job, a fair job, or a poor job in terms of *managing taxpayer's money*?

With the Brandon School Division (BSD) maintaining relatively low tax increases over the last several years, it is perhaps not surprising that they rated higher than in previous years when looking at poor/fair job comparisons. However, a lot of that shifted to uncertainty from business leaders this year.



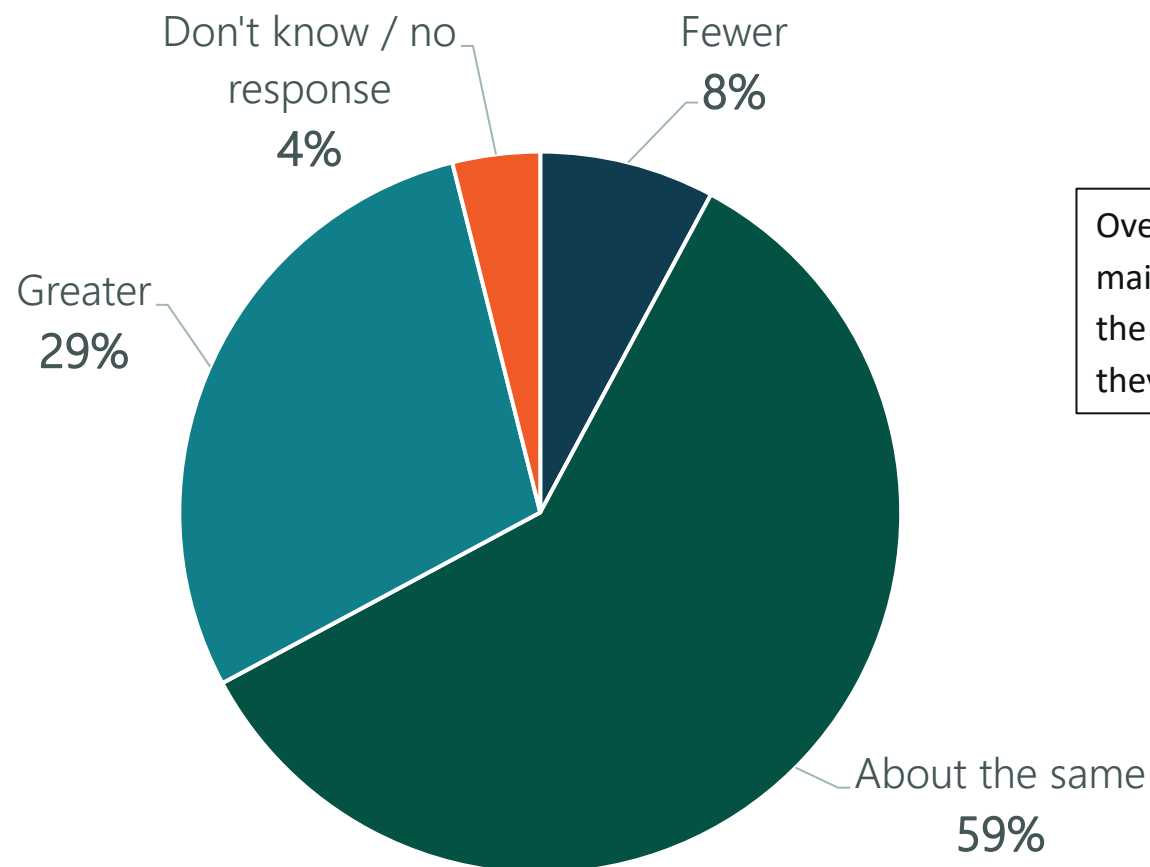
Government Spending

Where do you want more of your tax dollars to be spent?



Workforce

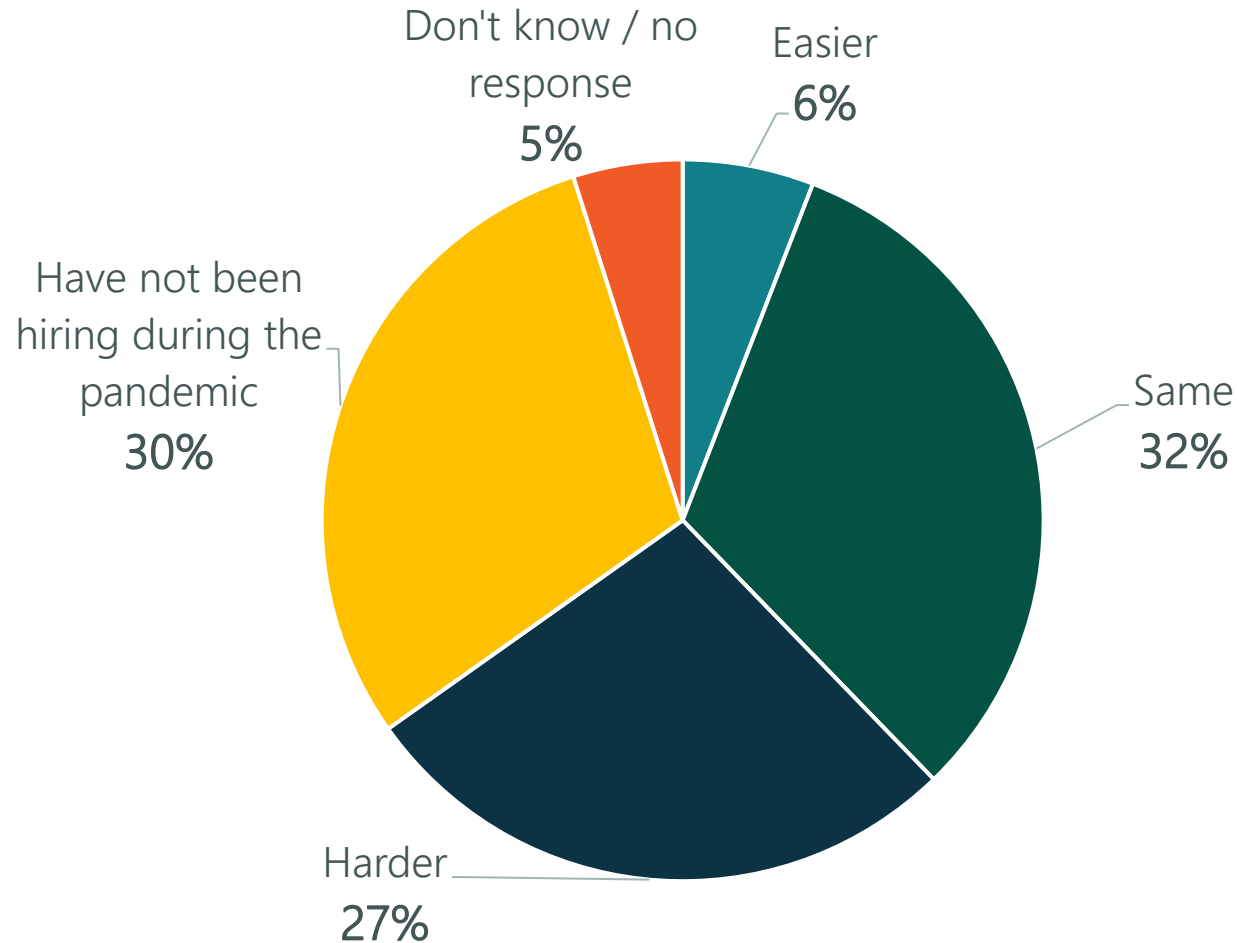
In 12 months, do you expect that the number of people employed by your organization in Manitoba will be greater, fewer, or about the same as it is today?



Over half of businesses expect to maintain the number of employees over the next year, and almost a 1/3 reported they will have more employees.

Workforce

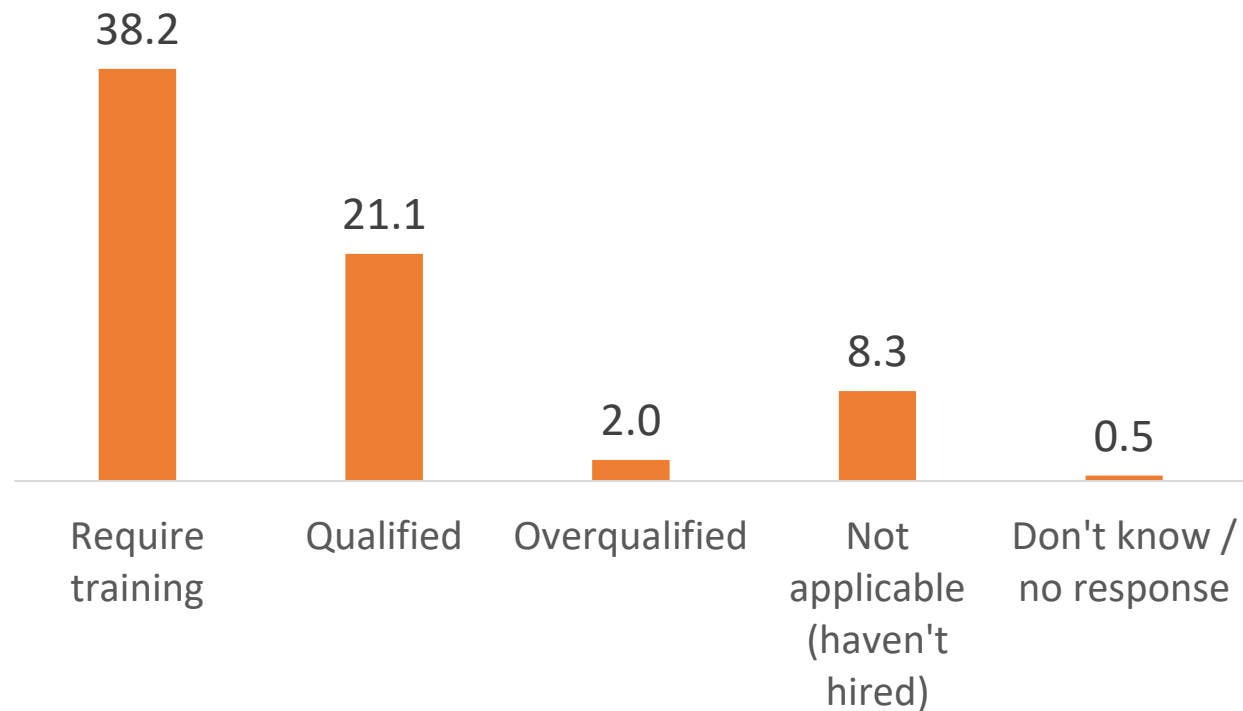
In the past 12 months, has it been harder, easier or the same to find employees?



It is notable that 29.9% of respondents reported they were not hiring during the pandemic.

Workforce

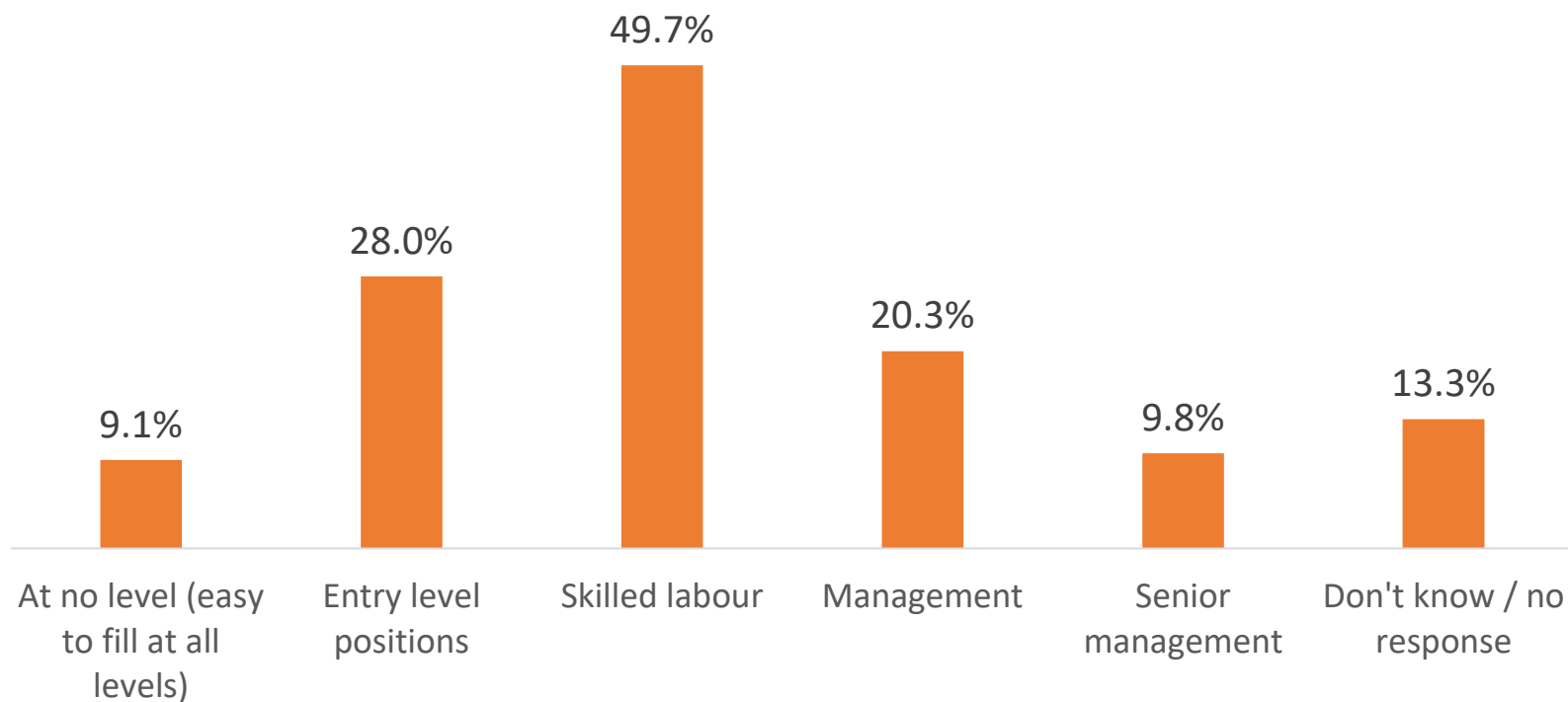
In the past 12 months, are the people you are hiring...



Close to 40% of new hires require training. In 2017, 55% required training. It is notable that almost a third employers were not hiring during the past year.

Workforce

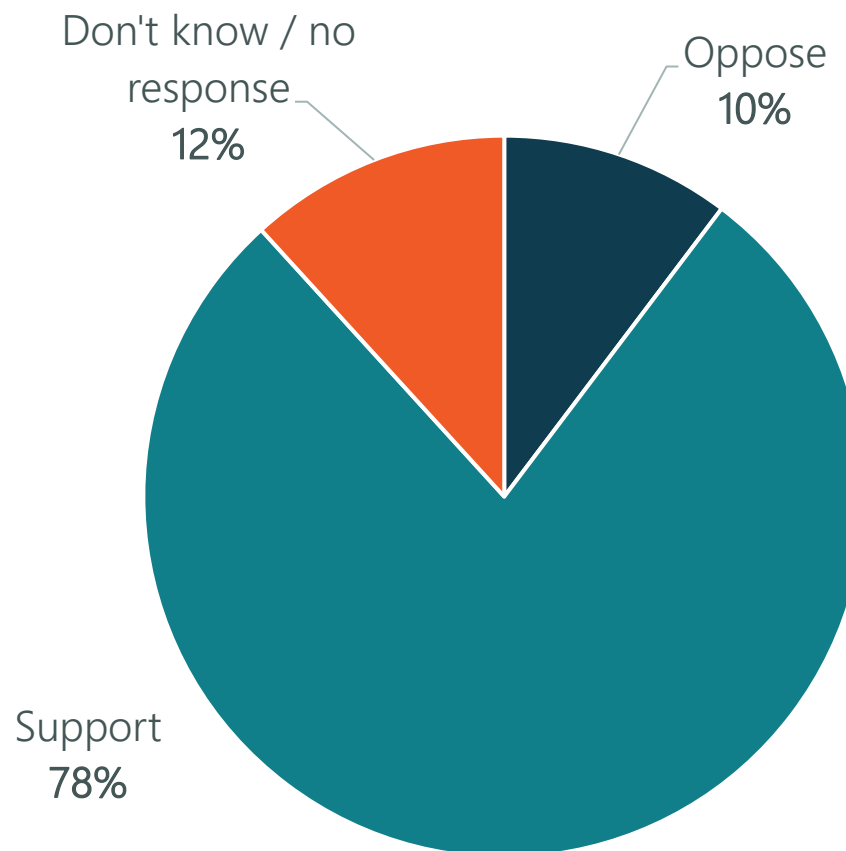
In looking to fill positions in your organization, what positions (if any) are the most difficult to fill?



Economic Growth: Incentives

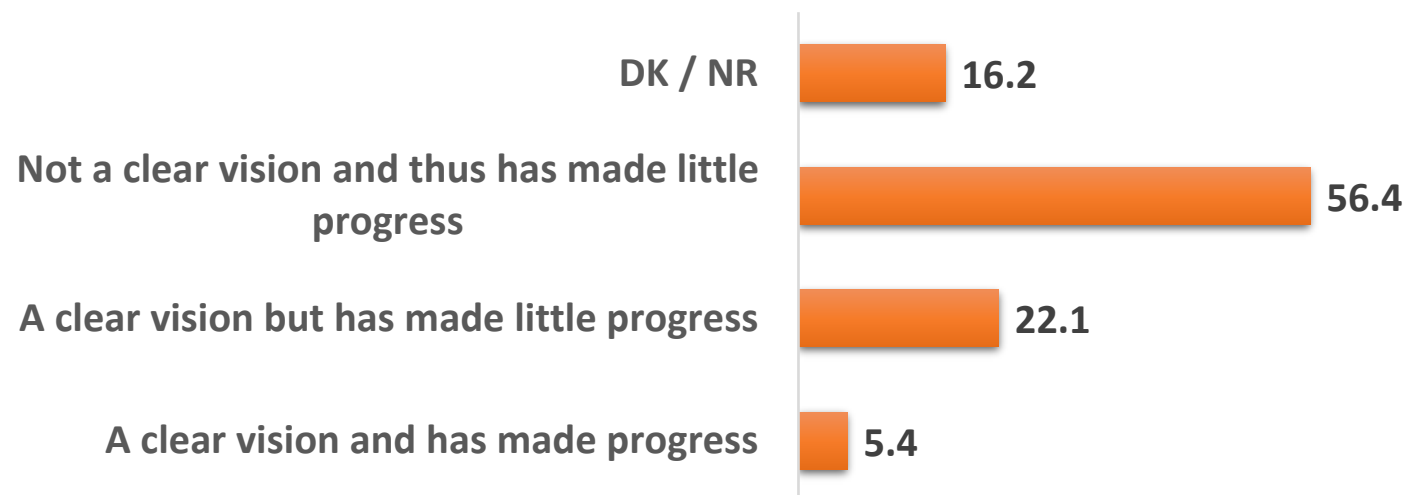
Would you support or oppose the City of Brandon using tax dollars to provide economic incentives to bring business to Brandon?

Business leaders overwhelmingly support the implementation of economic incentives to bring business to Brandon.



Economic Development: Provincial Strategy

Thinking of the provincial government and their vision for an economic development strategy for Southwest Manitoba, would you say the provincial government has...

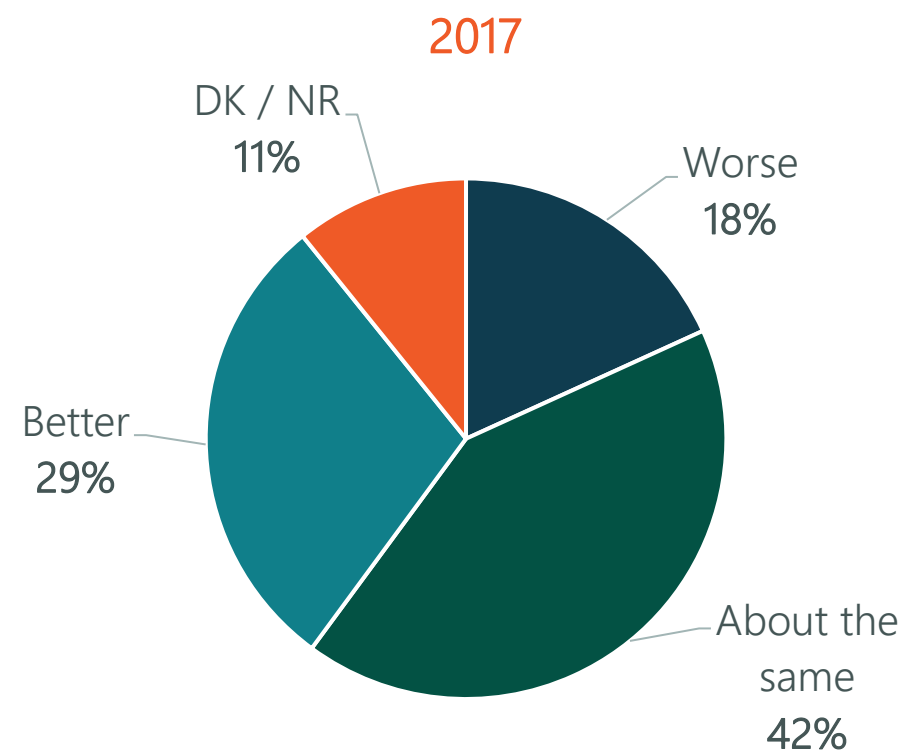
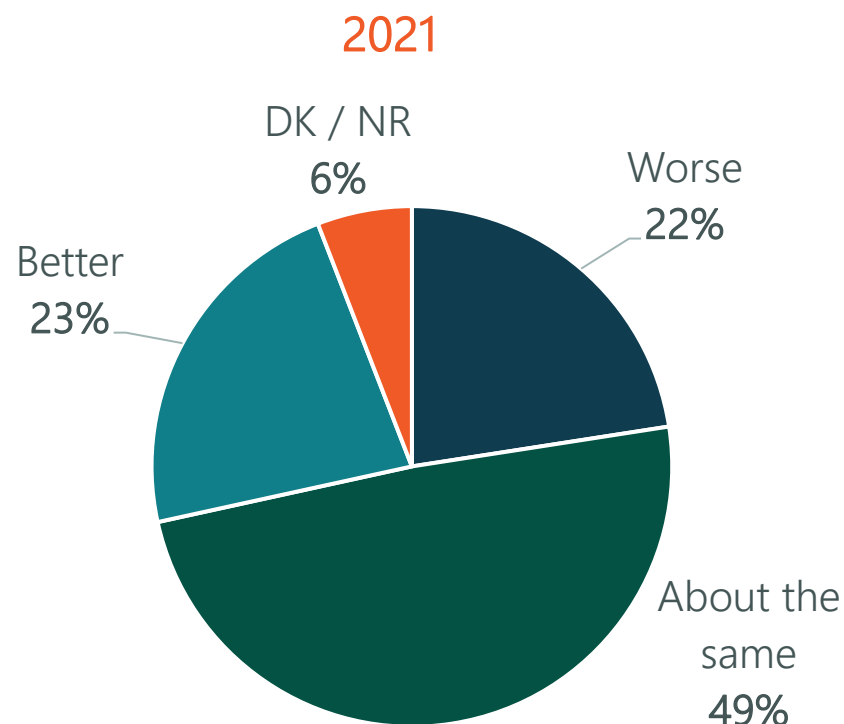


Over half of businesses do not believe the provincial government has a clear vision for an economic development strategy for SW Manitoba. Confidence in the government's vision has declined compared to previous years.

| | 2015 | 2017 | 2021 |
|--|-------|-------|-------|
| A clear vision and has made progress | 2.4% | 6.9% | 5.4% |
| DK/No Response | 11.1% | 18.2% | 16.2% |
| A clear vision but has made little progress | 17.3% | 28.6% | 22.1% |
| Not a clear vision and thus has made little progress | 69.2% | 46.3% | 56.4% |

Quality of Business Environment

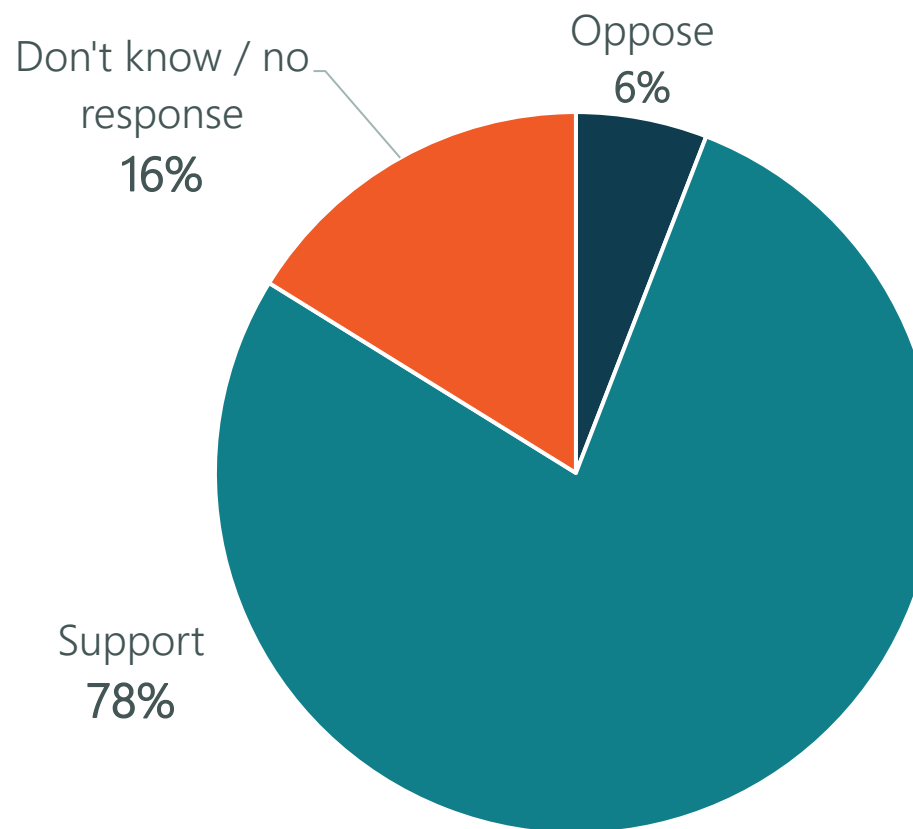
Thinking about Brandon as a place to conduct business, would you say it is better, worse or about the same as it was 5 years ago?



Economic Growth: Investments

In order to attract business to the city, would you support or oppose the City of Brandon prioritizing investments in infrastructure to service the Industrial Lands?

Similar to economic growth incentives, business leaders overwhelmingly support investments in infrastructure to service industrial lands.



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